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One North Broadway
11 White Plains, New York 10601-2310
Telephone: 914-997-0500
12 Facsimile: 914-997-0035

13 *Attorneys for Movant Southern*

14 UNITED STATES DISTRICT COURT
15
16 NORTHERN DISTRICT OF CALIFORNIA

17
18 IN RE LUMINENT MORTGAGE CAPITAL,
INC. SECURITIES LITIGATION

C 07-04073 PJH

CLASS ACTION

19
20 This Document Relates To:

21 ALL ACTIONS

**SUPPLEMENTAL DECLARATION
OF DAVID C. HARRISON IN
OPPOSITION TO MOTIONS BY
CERTAIN PLAINTIFFS FOR
APPOINTMENT AS LEAD
PLAINTIFF AND APPROVAL OF
THEIR SELECTION OF LEAD
COUNSEL**

22
23
24 Date: November 21, 2007
25 Time: 9:00 a.m.
26 Place: Courtroom 3, 17th Floor

1 DAVID C. HARRISON hereby declares pursuant to 28 U.S.C. § 1746 as follows:

2 1. I am a principal of the law firm of Lowey Dannenberg Bemporad Selinger &
3 Cohen, P.C. ("Lowey Dannenberg"), which has been retained as counsel for The Southern
4 Improvement Company, VSA, Inc. and Allen Dayton (collectively "Southern") in this action. I
5 am duly admitted to practice in the State of New York. I make this Supplemental Declaration In
6 Opposition of Motions By Certain Plaintiffs for Appointment of Lead Plaintiff and Approval of
7 Their Selection of Lead Counsel. I have personal knowledge of the facts asserted herein.

8 2. Attached as Exhibit 1 is a chart illustrating the Sharenow Group's losses as
9 calculated by counsel for Southern.

10 3. Attached as Exhibit 2 is a true and correct copy of a letter from Howard Longman
11 to David C. Harrison dated October 16, 2007.

12 4. Attached as Exhibit 3 is a true and correct copy of a letter from David C. Harrison
13 to Howard Longman dated October 17, 2007.

14
15 I declare under penalty of perjury that the foregoing is true and correct. Executed this 31st
16 day of October, 2007, at White Plains, New York.

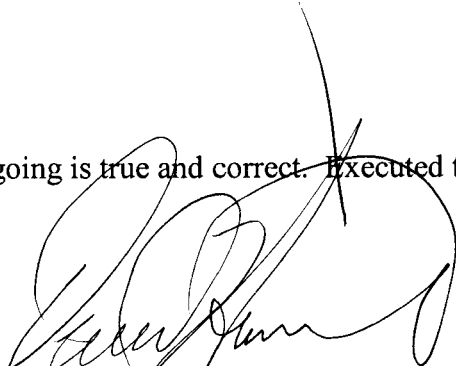
17
18 
19 DAVID C. HARRISON
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EXHIBIT 1

Luminent Mortgage
Sharenow Group Losses

Joel Sharenow

Date	Shares Bought	Price Per Share	Cost	Holding price	Holding value
12/19/2006	2500	9.7796	24,449.00	1.59	3,975.00
12/20/2006	2500	9.89	24,600.00	1.59	3,975.00
3/30/2007	10000	9	90,000.00	1.59	15,900.00
	15000		139,049.00		23,850.00

Total Shares Purchased	15,000.00
Total Cost	(139,049.00)
Holding value (as of 10/17/07)	23,850.00
Total loss	(115,199.00)

Bradley Burns

Date	Shares Bought	Price Per Share	Cost	Holding price	Holding value
11/9/2006	4200	10.28	43,176.00	1.59	6,678.00
12/19/2006	7700	9.82	75,614.00	1.59	12,243.00
12/19/2006	2785	9.77	27,209.45	1.59	4,428.15
12/23/2006	300	9.83	2,949.00	1.59	477.00
8/2/2007	300	7	2,100.00	1.59	477.00
	15285		151,048.45		24,303.15

Total Shares Purchased	15,285.00
Total Cost	(151,048.45)
Holding value (as of 10/17/07)	24,303.15
Total loss	(126,745.30)

Rajiv Kumar Prasad

Date	Shares Bought	Price Per Share	Cost	Holding price	Holding value
2/7/2007	5000	9.55	47,750.00	1.59	7,950.00
4/12/2007	3400	7.4	25,160.00	1.59	5,406.00
5/10/2007	4600	8.89	40,894.00	1.59	7,314.00
5/11/2007	3000	8.6	25,800.00	1.59	4,770.00
8/7/2007	16000	0.4735	7,576.00	1.59	25,440.00
	32000		147,180.00		50,880.00

Total Shares Purchased	32,000.00
Total Cost	(147,180.00)
Holding value (as of 10/17/07)	50,880.00
Total loss	(96,300.00)

Sharenow Group:

Total Shares Purchased	62,285.00
Total Cost	(437,277.45)
Holding value (as of 10/17/07)	99,033.15
Total loss	(338,244.30)

EXHIBIT 2

STULL, STULL & BRODY

ATTORNEYS AT LAW
6 EAST 45th STREET
NEW YORK, N.Y. 10017

TELEPHONE
212-687-7230

TELECOPIER
212-490-2022

October 16, 2007

Via Fax and E-mail

David C. Harrison
Lowey, Dannenberg, Bemporad, Selinger & Cohen, P.C.
One North Broadway
White Plains, New York

Re: Luminent Capital Mortgage, Inc., 07 CV 04073 (PJH) (N.D. Cal.)

Dear David:

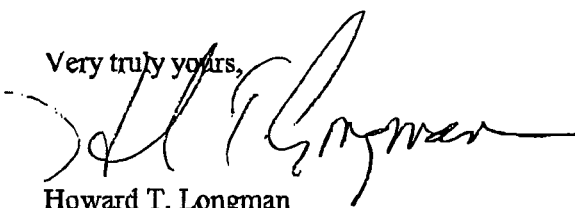
I write with respect to your letter of October 11, 2007.

The application for lead plaintiff filed by your firm is somewhat opaque on certain issues which are relevant to the selection of a lead plaintiff. These items include: the nature of Allen Dayton's relationship to Southern Improvement Company, and VSA, Inc., including Mr. Dayton's ownership interest in those companies and the form that the ownership interests takes; the identity of other directors and officers of VSA and Southern Improvement Company, and whether and, if so, the extent to which, VSA and Southern Improvement may have hedged their investment in Luminent by shorting other securities including any market indices or other indices keyed to the credit markets.

Finally, as you know, in many cases, certifications have proven inaccurate. Therefore, we would also like to exchange the confirmation slips or other documents evidencing our respective client's trading in Luminent securities.

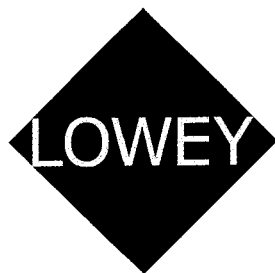
I look forward to hearing from you.

Very truly yours,


Howard T. Longman

cc: Jeffrey Abraham, Esq.

EXHIBIT 3



**Dannenberg Bemporad
Selinger & Cohen, P.C.**

October 17, 2007

New York
White Plains Plaza
One North Broadway
White Plains, NY 10601-2310
914-997-0500 Telephone
914-997-0035 Fax

Pennsylvania
Four Tower Bridge
200 Barr Harbor Drive, Suite 400
West Conshohocken, PA 19428-2977
610-941-2760 Telephone
610-862-9777 Fax

www.lowey.com

VIA TELECOPIER AND E-MAIL

Howard T. Longman, Esq.
Stull, Stull & Brody
6 East 45th Street
New York, NY 10017

Re: *In re Luminent Mortgage Capital, Inc.*, 07-07043-PJH (N.D. Cal.)

Dear Howard:

I write in response to your letter, dated October 16, 2007, requesting certain information relating to the lead plaintiff application of The Southern Improvement Company, VSA, Inc., and Allen Dayton (collectively, "Southern").

Southern has provided all the information required by the PSLRA and the Local Rules for the Court to determine that Southern is entitled to appointment as Lead Plaintiff. It is well settled in the Ninth Circuit (and elsewhere) that the Court's determination is made based upon the movant's certification, declaration and other submissions. *In re Cavanaugh*, 306 F.3d 726, 730 (9th Cir. 2002), citing *In re Cendant Corp. Sec. Litig.*, 264 F.3d 206, 264 (3d Cir. 2001). Southern's application clearly demonstrates that it has the largest financial interest in the litigation – a \$1,470,000 loss – and otherwise satisfies the requirements of Rule 23 of the Federal Rules of Civil Procedure.

Moreover, Southern's application provides much, if not all, of the information you seek about Mr. Dayton's relationship with VSA and The Southern Improvement Company. Dayton represents that he is the sole shareholder and President of Southern and 95 percent shareholder and President of VSA, and that he exercises complete authority over, and is the sole decision-maker with respect to, those companies' securities investments. Dayton Declaration ¶¶ 1-3.

Similarly, all trading in Luminent stock and options during the class period is detailed in the certifications filed with Southern's moving papers. These certifications and the accompanying loss analyses make plain that Southern suffered nearly three times the claimed losses of your clients, and substantially more than any of the other lead plaintiff applicants. Accordingly, there is neither a factual nor legal basis for your proposed discovery exchange.

Very truly yours,


David C. Harrison

cc: Nicole Lavallee, Esq.
Jeffrey Abraham, Esq.